Gloucester

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

DECEMBER 31, 1986

THE CORPORATION OF THE
CITY OF GLOUCESTER

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1986

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

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AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of the Corporation of
the City of Gloucester:

We have examined the consolidated balance sheet of the Corporation of the City of Gloucester as at December 31, 1986 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Gloucester as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Clarkson Gordon
Chartered Accountants

Ottawa, Canada,
March 31, 1987.

THE CORPORATION OF THE CITY OF GLOUCESTER

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1986

A S S E T S

	1986	1985
Unrestricted		
Cash and short-term investments	$13,397,540	$ 5,769,071
Taxes receivable	1,543,236	1,315,936
Accounts receivable	2,269,585	1,863,322
Other assets	107,594	181,698
	17,317,955	9,130,027
Restricted		
Cash and short-term investments	14,984,078	18,258,138
Accounts receivable	24,365	30,000
	15,008,443	18,288,138
Capital outlay to be recovered in future years (note 1)	14,537,307	15,068,849
	$46,863,705	$42,487,014

LIABILITIES AND FUND BALANCES

Accounts payable and accrued liabilities	$ 5,885,871	$ 3,855,762
Other current liabilities	3,710,424	2,595,323
	9,596,295	6,451,085
Net long-term liabilities (note 8)	14,537,307	15,068,849
Fund balances at the end of the year (note 9)		
To be used to offset taxation or user charges	2,565,779	2,560,963
Capital projects not yet permanently financed	(101,505)	(3,735,040)
Reserves	5,407,801	4,223,444
Reserve funds	14,858,028	17,917,713
	22,730,103	20,967,080
	$46,863,705	$42,487,014

(The accompanying notes are an integral part of the financial statements)

THE CORPORATION OF THE CITY OF GLOUCESTER

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1986

	1986	1985
Sources of financing:		
Taxation and user charges -		
Residential and farm taxation	$12,807,877	$11,493,466
Commercial, industrial, and business taxation	3,017,294	2,711,914
Taxation from other governments	5,722,962	5,312,866
User charges	6,361,183	6,373,318
	27,909,316	25,891,564
Grants -		
Government of Canada	23,747	36,686
Province of Ontario	6,843,547	6,658,155
Other municipalities	47,895	45,053
	6,915,189	6,739,894
Other -		
Contributions from developers	2,739,889	4,068,750
Investment income	2,932,533	2,861,603
Sale of property	998,702	837,303
Other	775,101	697,772
	7,446,225	8,465,428
Proceeds from the issue of long-term liabilities	1,317,852	840,713
Total sources of financing	43,588,582	41,937,599
Capital expenditures:		
General government	669,426	185,432
Protection to persons and property	430,150	375,725
Transportation services	1,890,856	2,730,501
Environmental services	709,871	2,912,638
Recreation and cultural services	1,876,502	3,422,043
Planning and development	2,555,572	142,318
	8,132,377	9,768,657
Current expenditures:		
General government	3,644,961	3,231,582
Protection to persons and property	11,257,487	9,993,798
Transportation services	5,023,964	5,068,669
Environmental services	3,948,846	3,303,327
Health services	19,153	11,243
Social and family services	259,017	275,300
Recreation and cultural services	8,151,325	7,381,480
Planning and development	1,388,429	1,257,343
	33,693,182	30,522,742
Total expenditures	41,825,559	40,291,399
Net change in municipal fund balances during the year	1,763,023	1,646,200
Municipal fund balances, beginning of year (note 9)	20,967,080	19,320,880
Municipal fund balances, end of year (note 9)	$22,730,103	$20,967,080

(The accompanying notes are an integral part of the financial statements)

THE CORPORATION OF THE CITY OF GLOUCESTER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

1. Accounting Policies

The consolidated financial statements of the Corporation of the City of Gloucester (the "City") are the representation of management prepared in accordance with accounting policies prescribed for Ontario Municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent on future events, the preparation of periodic financial statements necessarily involves the use of estimates which have been made using careful judgement.

(a) Basis of Consolidation

(i) The consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserves and reserve funds and include the activities of all committees of Council and the Public Library Board. All interfund assets, liabilities, sources of financing and expenditures are eliminated with the exception of loans or advances between the reserve funds and other funds of the City and the resulting interest income and expenditures.

(ii) Non-consolidated Entities

The City of Gloucester Hydro-Electric Commission and the Pineview Municipal Golf Course are not consolidated.

THE CORPORATION OF THE CITY OF GLOUCESTER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

1. Accounting Policies (Cont'd)

(iii) Accounting for School Boards and Region Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the Region are not reflected in these financial statements except to the extent that overlevies (underlevies) are reported on the Consolidated Balance Sheet as Other Current Liabilities (Other Current Assets).

(iv) Trust Fund

The trust fund and its related operations administrated by the City are not consolidated but are reported separately on the Trust Fund Balance Sheet and Statement of Continuity.

(b) Basis of Accounting

(i) The City uses the accrual basis of accounting except for principal and interest charges on long-term liabilities, vested leave benefits paid on termination and the cost of supplies and road maintenance materials which are charged to operations when paid (see notes 7, 12 and 13).

(ii) Revenues are recognized when levied or earned and expenditures are recognized when incurred as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Fixed Assets

Fixed assets are charged to expenditures when purchased.

1. Accounting Policies (Cont'd)

(iv) Capital Outlay to be Recovered in Future Years

Capital outlay to be recovered in future years represents the outstanding principal portion of unmatured long-term liabilities incurred for capital expenditures.

(v) Restricted Assets

The restricted assets reported in the Consolidated Balance Sheet comprise the balances in the reserve funds and funds available for the acquisition of fixed assets as described in note 9.

(c) Foreign Currency Translation

The City records long-term liabilities issued in U.S. currency at the rate prevailing when the liabilities were incurred.

2. Operations of School Boards and the Regional Municipality of Ottawa-Carleton

The taxation, other revenues, expenditures and overlevies (underlevies) of the school boards and the Regional Municipality of Ottawa-Carleton comprise the following:

	School Boards	Region
Taxation and user charges	$30,739,144	$15,804,863
Requisitions	(30,613,983)	(15,521,415)
Overlevy for the year	125,161	283,448
Overlevy (underlevy), beginning of year	(57,881)	51,593
Overlevy, end of year	$ 67,280	$ 335,041

THE CORPORATION OF THE CITY OF GLOUCESTER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

3. Contributions to Unconsolidated Joint Boards

The City contributed $27,134 during 1986 (1985 - Nil) to the Pineview Municipal Golf Course, a joint board administered with the City of Ottawa.

4. Trust Fund

A trust fund administered by the City amounting to $46,705 (1985 - $76,205) has not been included in the Consolidated Balance Sheet nor have its operations been included in the Consolidated Statement of Operations.

5. Investments

Cash and short-term investments are reported on the Consolidated Balance Sheet at cost which approximates market value.

6. Liability for Pension Agreements

Under the past service provisions of pension agreements, the City is obligated at December 31, 1986 for an amount of approximately $198,000 (1985 - $215,000). No provision has been made for this liability which is to be funded by annual payments of $34,120.

THE CORPORATION OF THE CITY OF GLOUCESTER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

7. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the City's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to $1,181,526 (1985 - $1,096,233) at the end of the year and has been provided for as a component of reserve funds. The total liability for accumulated days amounted to $2,363,051 at December 31, 1986 (1985 - $2,192,332).

8. Net Long-term Liabilities

(a) The balance of the net long-term liabilities reported on the Consolidated Balance Sheet is made up of the following:

	1986	1985
Total long-term liabilities incurred by the City including those incurred on behalf of school boards and other municipalities and outstanding at the end of the year amount to	$ 186,978	$ 303,445
In addition, the City has assumed responsibility for the payment of principal and interest charges on certain long-term liabilities issued by other municipalities. At the end of the year, the outstanding principal amount of this liability is	19,321,531	19,724,622

8. Net Long-term Liabilities (Cont'd)

	1986	1985
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by others. At the end of the year, the outstanding principal amount of this liability is	(2,993,270)	(3,199,762)
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	(17,540)	(20,376)
The total value of sinking funds which have been accumulated to the end of the year to retire the outstanding long-term liabilities included above amount to	(1,960,392)	(1,739,080)
Net long-term liabilities at the end of the year	$14,537,307	$15,068,849

(b) The net long-term liabilities reported above are to be repaid as follows:

	1987 to 1991	1992 to 1996	1997 and thereafter	Total
	(Thousands of dollars)			
With funds received from:				
General municipal revenues	$6,902	$5,986	$997	$13,885
Benefitting landowners	18	—	—	18
	$6,920	$5,986	$997	$13,903

8. Net Long-term Liabilities (Cont'd)

It is estimated that total interest to be earned by sinking funds will amount to approximately $634,000 and will be used for sinking fund debenture debt purposes.

(c) Included in net long-term liabilities is an amount of $1,364,239 (1985 - $1,714,300) payable in U.S. dollars. If this liability were converted into Canadian dollars and carried in the Consolidated Balance Sheet at the exchange rate prevailing at December 31, 1986, the amount of the liability would be increased by $434,676 (1985 - $564,867).

(d) The City is contingently liable for tile drainage loans and other loans for which the responsibility for the payment of principal and interest has been assumed by others. The total amount outstanding as at December 31, 1986 is $1,632,350 (1985 - $1,923,998) and is not recorded in the Consolidated Balance Sheet.

9. Municipal Fund Balances at the End of the Year

(a) The balances on the Consolidated Statement of Operations of municipal fund balances of $22,730,103 (1985 - $20,967,080) at the end of the year are comprised of the following:

	1986	1985
To be used to offset future taxation or user charges-		
For general reduction of taxation	$2,116,225	$ 2,268,211
For benefitting landowners related to special charges and special areas	449,554	292,752
	2,565,779	2,560,963

9. Municipal Fund Balances at the End of the Year (Cont'd)

Capital projects not yet permanently financed -		
Funds available for the acquisition of fixed assets	$ 150,415	$ 370,425
Acquisition of fixed assets to be financed from:		
Proceeds of long-term liabilities	(251,920)	(4,104,260)
Other		(1,205)
	(101,505)	(3,735,040)
Reserves set aside for specific purpose by Council -		
For acquisition of fixed assets	4,576,499	3,492,142
For working capital	731,302	731,302
For current purposes	100,000	
Total reserves	5,407,801	4,223,444
Reserve funds -		
Set aside for specific purpose by Council:		
For acquisition of fixed assets	12,082,623	14,832,638
For recreation programs and facilities	255,889	282,665
For sick leave	1,181,526	1,096,233
	13,520,038	16,211,536
Set aside for specific purpose by legislation, regulation or agreement:		
For park purposes	1,337,990	1,706,177
Total reserve funds	14,858,028	17,917,713
Total	$22,730,103	$20,967,080

(b) Approval of the Ontario Municipal Board has been obtained for the pending issues of long-term liabilities in the amount of $1,150,963 and for those commitments to be financed from revenues beyond the term of Council.

THE CORPORATION OF THE CITY OF GLOUCESTER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

10. Charges for Net Long-term Liabilities

Total charges for the year for net long-term liabilities which are reported in the Consolidated Statement of Operations are as follows:

	1986	1985
Principal payments and contributions to sinking funds	$1,723,103	$1,595,295
Interest	1,935,516	2,037,420
	$3,658,619	$3,632,715

The charges for those long-term liabilities assumed by the non-consolidated entities or by individuals are not reflected in these statements.

11. Contingent Liabilities

The City has outstanding matters in dispute as at December 31, 1986 for which the amount of settlement, if any, cannot be quantified and, accordingly, no provision has been made in the financial statements.

12. Non-accrual of Interest on Long-term Liabilities

No provision has been made in these financial statements for the accrual of interest on the net long-term liabilities from the date of the latest interest payments to December 31. Had this provision been made, the municipal fund balances as at December 31 would have been decreased by $778,023 (1985 - $745,029).

THE CORPORATION OF THE CITY OF GLOUCESTER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

13. Inventories

Inventories on hand at year-end are not reported in the "Consolidated Balance Sheet". The total inventories on hand at December 31, 1986 amounted to $316,900 (1985 - $267,994).

14. Commitments

During 1986, the Ontario Municipal Board approved the lease for a new City Hall location effective January 1, 1987. Future annual lease payments will be approximately $1,060,000 in 1987 and $1,612,000 per year from 1988 to 1991.

In 1986 Council approved a $125,000 contribution to be made in 1987 for the Pineview Municipal Golf Course expansion.

Subsequent to year end, City Council approved the sale of industrial land for approximately $1,033,000.

15. Comparative Financial Statements

Certain of the 1985 balances have been reclassified to conform with the financial statement presentation adopted in 1986.

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

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ACCOUNTANTS' REPORT

Our examination of the consolidated financial statements of the Corporation of the City of Gloucester for the year ended December 31, 1986 was made for the purpose of forming an opinion on the consolidated financial statements referred to in our auditors' report to the Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Gloucester dated March 31, 1987. The Analysis of Operations is provided for purposes of additional information and is not a required part of the basic financial statements. This information has not be subjected to the auditing procedures applied in the examination of the consolidated financial statements and, accordingly, we do not express an opinion on the fair presentation of the information referred to above.

Clarkson Gordon

Ottawa, Canada,
March 31, 1987.

Clarkson Gordon
Chartered Accountants

THE CORPORATION OF THE CITY OF GLOUCESTER

ANALYSIS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1986

	Revenue Fund Budget	Revenue Fund Actual	Capital Fund Actual	Reserve Funds Actual	Reserves Actual	1986 Total Actual	1985 Total Actual
Sources of financing:							
Taxation and user charges -							
Residential and farm taxation	$12,464,526	$12,807,877				$12,807,877	$11,493,466
Commercial, industrial and business taxation	2,895,677	3,017,294				3,017,294	2,711,914
Taxation from other governments	5,467,102	5,722,962				5,722,962	5,312,866
User charges	7,072,917	6,361,183				6,361,183	6,373,318
Grants -							
Government of Canada	41,021	23,747				23,747	36,686
Province of Ontario	6,701,641	6,735,369	649	107,529		6,843,547	6,658,155
Other municipalities	45,000	47,895				47,895	45,053
Other -							
Contributions from developers				2,739,889		2,739,889	4,068,750
Investment income	1,200,000	1,420,847	15,116	1,496,570		2,932,533	2,861,603
Sale of property		292,975		670,409	35,318	998,702	
Other	506,300	666,267	81,014	27,820		775,101	1,535,075
Proceeds from the issue of long-term liabilities			1,317,852			1,317,852	840,713
Transfers from other funds		206,751	10,511,628	52,436	1,636,000	12,406,815	7,837,158
Total sources of financing	36,394,184	37,303,167	11,926,259	5,094,653	1,671,318	55,995,397	49,774,757
Expenditures:							
General government	4,104,020	3,644,961	669,426			4,314,387	3,417,014
Protection to persons and property	10,628,819	11,257,487	430,150			11,687,637	10,369,523
Transportation services	6,048,134	5,023,964	1,890,856			6,914,820	7,799,170
Environmental services	3,753,521	3,948,846	709,871			4,658,717	6,215,965
Health services	12,500	19,153				19,153	11,243
Social and family services	315,000	259,017				259,017	275,300
Recreation and cultural services	8,147,410	8,151,325	1,876,502			10,027,827	10,803,523
Planning and development	1,180,020	1,388,429	2,555,572			3,944,001	1,399,661
Transfers to other funds	4,755,887	3,605,169	160,347	8,154,338	486,961	12,406,815	7,837,158
	38,945,311	37,298,351	8,292,724	8,154,338	486,961	54,232,374	48,128,557
Net change in municipal fund balances during the year	(2,551,127)	4,816	3,633,535	(3,059,685)	1,184,357	1,763,023	1,646,200
Municipal fund balances, beginning of year	2,560,887	2,560,963	(3,735,040)	17,917,713	4,223,444	20,967,080	19,320,880
Municipal fund balances, end of the year	$ 9,760	$ 2,565,779	$ (101,505)	$14,858,028	$5,407,801	$22,730,103	$20,967,080

(Prepared without audit)

THE CORPORATION OF THE CITY OF GLOUCESTER

O.H.R.P. TRUST FUND

FINANCIAL STATEMENTS

DECEMBER 31, 1986

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

Chartered Accountants
Suite 1600
55 Metcalfe Street
Ottawa, Canada K1P 6L5
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Telex 053-4206

AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers of
The Corporation of the City of Gloucester:

We have examined the balance sheet of the O.H.R.P. Trust Fund of the Corporation of the City of Gloucester as at December 31, 1986 and the statement of continuity for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the O.H.R.P. Trust Fund of the Corporation of the City of Gloucester as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Ottawa, Canada,
March 31, 1987.

Clarkson Gordon
Chartered Accountants

THE CORPORATION OF THE CITY OF GLOUCESTER

O.H.R.P. TRUST FUND

BALANCE SHEET

DECEMBER 31, 1986

A S S E T S

	1986	1985
Cash	$ 1,063	$ 1,030
Funds on deposit with the City of Gloucester	18,542	58,453
Loans receivable	27,134	16,722
	$46,739	$76,205

ACCUMULATED FUND BALANCE

Accumulated fund balance	$46,739	$76,205

(The accompanying note is an integral part of the financial statements)

THE CORPORATION OF THE CITY OF GLOUCESTER

O.H.R.P. TRUST FUND

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 1986

	1986	1985
Accumulated fund balance, beginning of the year	$76,205	$73,385
Revenue:		
Interest earned	4,686	5,670
Expenditures:		
Forgiveable portion of loans earned	3,000	2,850
Funds refunded to the Province of Ontario	30,000	
Administration fee	1,152	
Accumulated fund balance, end of the year	$46,739	$76,205

(The accompanying note is an integral part of the financial statements)

THE CORPORATION OF THE CITY OF GLOUCESTER

O.H.R.P. TRUST FUND

NOTE TO THE F NANCIAL STATEMENTS

DECEMBER 31, 1986

Accounting Policy

The financial statements of the Ontario Home Renewal Program ("O.H.R.P.") trust fund were prepared by management within reasonable limits of materiality following accounting policies prescribed by the Ministry of Municipal Affairs. The financial statements are prepared using the accrual basis of accounting.

1986 FINANCIAL INFORMATION RETURN

MUNICIPALITY: City of Gloucester

in the Region, County or District of: Ottawa-Carleton

DECLARATION OF THE MUNICIPAL TREASURER

Pursuant to the determination of grants under the Ontario Unconditional Grants Act, and to the information required by the Province under the Municipal Affairs Act, the following schedules are attached:

		Attached
1	Analysis of Revenue Fund Revenues	X
2LT	Analysis of Taxation	X
2UT	Analysis of Upper Tier Requisitions and Direct Charges	—
2MA	Analysis of Taxation in Merged Areas	—
3	Analysis of Current Revenue for Specific Functions	X
4	Analysis of Revenue Fund Expenditures	X
5	Analysis of Capital Operations	X
6	Analysis of Capital Grants and Own Expenditures	X
7	Analysis of Net Long Term Liabilities By Function	X
8	Analysis of Long Term Liabilities and Commitments	X
9LT	Continuity of Upper Tier and School Board Levies	X
10	Continuity of Reserves and Reserve Funds	X
11	Analysis of Consolidated Year End Balances	X
12	Statistical Data	X
13	Grant Information	X
14	Grant Information	—

The schedules have been drawn up in accordance with the instructions provided by the Ministry of Municipal Affairs. They represent the consolidated financial activities of the municipality, all local boards, including joint boards where applicable and any other local corporate entities set up by the municipality to provide services to ratepayers. The consolidated local boards and entities are:

City of Gloucester Public Library Board

Trust funds administered by the municipality and its local boards, harbour commissions, humane societies, municipal non-profit housing corporations, provincial-municipal housing authorities, sinking funds, retirement or pension plan funds, school boards, conservation authorities, children's aid societies, district health councils, municipal hospitals and gas, telephone and hydro utilities are not consolidated.

The schedules have been prepared by The Corporation of the City of Gloucester
(Auditor's firm or name of Municipality)

Questions regarding the information contained in them should be addressed to Barry Roberts

at 613-748-4162
(Area code and telephone)

Date April 21 1987

C.R. Hanson.
Municipal Treasurer

THE CORPORATION OF THE CITY OF GLOUCESTER
SIX-YEAR FINANCIAL REVIEW

(All dollar amounts are in thousands of dollars, except per capita figures.)

		1986	1985	1984	1983	1982	1981
1.	Population at the end of the year	88,867	86,553	85,872	78,161	76,589	73,897
2.	Area in acres at the end of the year	74,000	74,000	74,000	74,000	74,000	74,000
3.	Employees - continuous full time	462	439	423	399	389	371
	- part time	295	238	247	197	179	189
4.	Number of households	30,041	28,413	26,820	24,422	23,920	22,054
5.	Assessment						
	Taxable assessment upon which the year's rate of taxation were set.						
	Residential and farm	$ 98,913	94,797	87,828	83,331	80,663	78,130
	Commercial and industrial	12,800	11,914	11,191	11,151	10,877	10,873
	Business	4,914	4,551	4,319	4,334	4,222	4,270
	Total	116,627	111,262	103,338	98,816	95,762	93,273
	Per Capita	1,312	1,285	1,203	1,264	1,250	1,262
	Commercial and industrial, and business as a percentage of taxable assessment	% 15.2	14.8	15.0	15.7	15.8	16.2
	Exempt assessment	$ 26,681	26,279	26,598	27,848	27,886	27,995
	Provincial equalization factor	3.89	4.11	4.74	5.30	5.95	6.48
6.	Rates of Taxation						
	Residential and farm mill rate						
	for general municipal purposes	113.52	109.67	103.86	98.85	89.89	93.31
	for region or county purposes	123.14	114.54	92.85	88.28	80.61	60.86
	for school board purposes	239.82	224.24	210.74	194.39	177.68	167.45
	Total	476.48	448.45	407.45	381.52	348.18	321.62
	Commercial and industrial mill rate						
	for general municipal purposes	133.56	129.03	122.20	102.12	92.95	103.67
	for region or county purposes	143.56	133.53	108.13	83.94	74.13	59.88
	for school board purposes	282.13	263.81	247.93	228.69	209.03	197.00
	Total	559.25	526.37	478.26	414.75	376.11	360.55
7.	Revenue for general municipal services						
	Taxation	16,933	15,091	$13,528	12,299	10,789	10,755
	Payments in lieu of taxes	5,723	5,313	4,688	3,621	4,935	3,824
	Ontario grants	6,735	6,535	6,350	6,372	5,660	4,199
	Other grants	72	82	127	76	84	7
	Fees and service charges	3,956	3,390	1,057	778	528	709
	Other	3,889	4,052	5,360	3,716	3,668	2,942
	Total	37,308	34,463	31,110	26,862	25,664	22,436
8.	Tax Arrears - per capita	$ 17.37	15.20	16.17	17.51	30.22	22.70
	- percentage of current levy	% 2.50	2.44	3.03	3.20	6.20	5.00
9.	Expenditure - general municipal	$ 37,303	34,195	29,594	27,664	26,518	21,120
10.	Transfers to the region or county	$ 15,521	13,590	11,405	10,182	9,107	5,846
11.	Transfers to the school boards	$ 30,614	26,724	23,329	20,519	18,292	16,568
12.	Net long term liabilities						
	General municipal activies	$ 14,555	15,089	15,975	17,716	17,542	13,953
	- per capita	164	174	186	227	229	189
	- percentage of taxable assessment	% 12.5	13.6	15.5	17.9	18.3	15.0
	Municipal enterprises	$ 1,504	1,717	2,102	2,492	2,843	3,185
13.	Charges for net long term liabilities						
	General municipal activities	$ 3,635	3,638	3,791	3,349	2,351	2,331
	- per capita	41	42	44	42	31	32
	- as a mill rate	31.17	32.70	36.68	33.89	24.55	25.00
14.	Capital financing during the year						
	Contributions from own funds	$ 10,512	5,267	6,874	6,358	4,182	2,979
	Long term liabilities incurred	1,318	841	-	1,334	4,666	15
	Ontario grants	1	-	1	185	976	1,328
	Other	96	221	221	59	179	248
	Total	$ 11,927	6,329	7,096	7,936	10,003	4,570
15.	Capital expenditure during the year	$ 8,152	9,769	7,746	7,563	5,836	5,803
16.	Accumulated net revenue (deficit) at the end of the year	$ 2,566	2,555	2,198	1,439	2,293	2,788
17.	Reserves and reserve funds	$ 20,266	22,141	17,397	13,969	14,454	11,207

AUDITORS' REPORT

To the Ministry of Municipal
Affairs and Housing.

We have examined grant information Schedule 13 of the Financial Information Return of the Corporation of the City of Gloucester for the year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, this schedule presents fairly the grant information shown therein in accordance with instructions issued by the Ministry of Municipal Affairs and Housing for the year 1986.

Clarkson Gordon

Ottawa, Canada
March 31, 1987.

Clarkson Gordon
Chartered Accountants.

ANALYSIS OF REVENUE FUND REVENUES

for the year ended December 31, 1986

Municipality

City of Gloucester

1
3

		total revenue	upper tier purposes	school board purposes	own purposes
		Note: Upper tiers use column 4 only			
		1 $	2 $	3 $	4 $
Taxation					
Taxation from schedule 2LT (or requisitions from schedule 2UT)	1	61,631,647	15,067,331	30,739,144	15,825,172
Direct water billings on ratepayers — own municipality	2				
— other municipalities	3				
Sewer surcharge on direct water billings — own municipality	4	1,108,055			1,108,055
— other municipalities	5				
Subtotal	6	62,739,702	15,067,331	30,739,144	16,933,227
Payments in lieu of taxes					
Canada	7	3,013,717	377,357		2,636,360
Canada enterprises	8	2,242,707	185,635		2,057,072
Ontario					
The Municipal Tax Assistance Act	9	60,908	8,148		52,760
The Municipal Act, section 160	10	12,350	5,858		6,492
Other	11				
Ontario enterprises					
Ontario Housing Corporation	12	16,420			16,420
Ontario Hydro	13	184,363	9,837		174,526
Liquor Control Board of Ontario	14	10,837	1,133		9,704
Other	15				
Municipal enterprises	16	48,020	3,974		44,046
Other municipalities and enterprises	17	871,172	145,590		725,582
Subtotal	18	6,460,494	737,532		5,722,962
Ontario unconditional grants					
Per household general	19				
Per household police	20	1,420,650			1,420,650
Per household density	21	238,669			238,669
Transitional and special assistance	22				
Resource equalization	23				
General support	24	1,302,956			1,302,956
Northern special support	25				
Apportionment guarantee	26				
Revenue guarantee	27	1,684,751			1,684,751
Subtotal	28	4,647,026			4,647,026
Revenues for specific functions					
Ontario specific grants	29	2,082,263			2,082,263
Canada specific grants	30	29,827			29,827
Other municipalities—grants and fees	31	47,895			47,895
Fees, service charges and donations	32	3,955,845			3,955,845
Subtotal	33	6,115,830			6,115,830
Other revenue					
Trailer revenue and licences	34	360			360
Licences and permits	35	1,301,345			1,301,345
Fines	37	95,563			95,563
Penalties and interest on taxes	38	250,490			250,490
Investment income—from own funds	39	1,420,847			1,420,847
—other	40				
Sale of publications, equipment, etc.	42				
Contributions from capital fund	43	160,347			160,347
Contributions from reserves and reserve funds	44	46,404			46,404
Contributions from non consolidated entities	45				
Miscellaneous	46	613,189			613,189
	47				
	48				
Sale of land	49				
Subtotal	50	3,888,545			3,888,545
Total revenue	51	83,851,597	15,804,863	30,739,144	37,307,590

ANALYSIS OF TAXATION

for the year ended December 31, 1986

Municipality: CITY OF GLOUCESTER

2LT

	For computer use only	LOCAL TAXABLE ASSESSMENT: residential and farm	LOCAL TAXABLE ASSESSMENT: commercial and industrial	LOCAL TAXABLE ASSESSMENT: business	MILL RATES: residential and farm	MILL RATES: commercial industrial and business	TAXES LEVIED: residential and farm	TAXES LEVIED: commercial and industrial	TAXES LEVIED: business	SUPPLEMENTARY TAXES: residential and farm	SUPPLEMENTARY TAXES: commercial and industrial	SUPPLEMENTARY TAXES: business	TOTAL TAXES: total columns 6 to 11
		1 $	2 $	3 $	4	5	6 $	7 $	8 $	9 $	10 $	11 $	12 $
I. Own purposes													
(a) Levied by mill rate													
General	0 1 0 1 0	98,911,311	12,800,431	4,913,670	101.980	119.980	10,087,181	1,535,796	589,543	471,117	97,973	59,081	12,840,691
Blackburn Parks & Recreation	0 1 0 2	11,265,015	532,014	200,855	7.000	8.260	78,857	4,384	1,655	(147)	277	157	85,183
City Sewers	0 1 0 3	90,366,245	9,979,747	1,816,865	11.543	13.500	1,042,829	135,525	51,833	52,764	10,421	5,006	1,298,378
Bothwell Heights Parks & Rec.	0 1	1,476,833	258,700	86,585	1.003	3.530	10,431	913	306	120	0	3	11,773
Carson Grove Parks & Rec.	0 1	5,632,605	2,131,556	769,865	5.003	5.880	28,166	12,534	4,526	(78)	305	136	45,589
Pineview/Cyrville Parks & Rec.	0 1	7,298,315	2,380,133	903,130	5.003	5.880	36,497	12,819	5,312	130	903	312	55,973
Gloucester West Parks & Rec.		7,632,751	1,016,619	377,765	5.003	5.880	38,169	5,978	2,222	6,657	306	74	53,408
Beacon Hill South Parks & Rec.	0 1	7,566,962	1,059,883	413,010	6.000	7.060	45,401	7,483	2,915	473	264	113	56,649
Beacon Hill North Parks & Rec.	0 1	12,556,531	858,113	356,010	8.000	9.410	100,451	8,075	3,350	629	2,379	1,294	116,178
Orleans Parks & Recreation	0 1	31,547,455	1,513,527	543,850	5.000	5.880	157,758	8,900	3,197	14,093	1,054	606	185,608
Carlsbad/Ramsayville Parks & Rec.	0 1	3,198,807	268,861	110,530	4.250	5.000	13,595	1,344	553	176	193	73	15,834
	0 1												
	0 1												
						Subtotal levied by mill rate	11,639,335	1,733,651	665,412	545,934	114,077	66,855	14,765,264
(b) Other charges on tax bills						Share of telephone and telegraph taxation 0 1 2 1 0	2	344,564					344,564
						Local improvements 0 1 2 2 0	614,092	91,467					705,559
						Sewer and water service charges 0 1 2 3 0							0
						Sewer and water connection charges 0 1 2 4 0							0
						Fire service charges 0 1 2 5 0							0
						Minimum tax (differential only) 0 1 2 6 0	22	3					25
						Municipal drainage charges 0 1 2 7 0	8,494	1,266					9,760
						Garbage collection charges 0 1 2 8 0							0
						Business improvement area 0 1 2 9 0							0
						0 1 3 0 0							
						Subtotal special charges on tax bills 3	622,608	437,300					1,059,908
						Total own purpose taxation 0 1 3 2 0 4	12,261,943	2,170,951	665,412	545,934	114,077	66,855	15,825,272
II. Upper tier purposes													
(a) Levied by mill rate													
General	0 2 0 1 0	98,911,311	12,800,431	4,913,670	71.770	84.430	7,099,017	1,080,741	414,861	329,397	68,676	41,329	9,034,021
Special purposes													
Regional Transit	0 2	90,587,567	10,605,963	4,085,700	30.140	35.460	2,730,313	376,087	144,881	131,900	26,973	13,475	3,423,629
Regional Sewer	0 2	89,417,813	9,923,050	3,809,510	13.840	16.280	1,237,551	161,547	62,019	59,862	12,560	6,122	1,539,661
	0 2												
	0 2												
	0 2												
						Subtotal levied by mill rate 5	11,066,881	1,618,375	621,761	521,159	108,209	60,926	13,997,311
(b) Other charges on tax bills						Share of telephone and telegraph taxation 0 2 2 1 0	6	302,857					302,857
						Local improvements 0 2 2 2 0							
						Sewer and water service charges 0 2 2 3 0							
						Sewer and water connection charges 0 2 2 4 0							
						Fire service charges 0 2 2 5 0	701,486	65,677					767,163
						0 2 3 0 0							
						Subtotal special charges on tax bills 7	701,486	368,534					1,070,020
						Total upper tier taxation 0 2 3 2 0 8	11,768,367	1,986,909	621,761	521,159	108,209	60,926	15,067,331
III. School board purposes													
Elementary public													
	0 3 0 1	58,062,210	9,623,846	3,648,060	142.386	167.509	8,266,896	1,611,995	611,051	402,047	107,244	65,370	11,064,603
	0 3 0 1												
						Share of telephone and telegraph taxation 0 3 2 1 0 9		291,511					291,511
						Subtotal elementary public 10	8,266,896	1,903,506	611,051	402,047	107,244	65,370	11,356,114
Elementary separate													
	0 4 0 1	40,851,101	3,176,585	1,265,610	141.730	166.740	5,789,829	529,664	211,028	249,732	28,379	16,434	6,825,066
	0 4 0 1												
						Subtotal elementary separate 11	5,789,829	529,664	211,028	249,732	28,379	16,434	6,825,066
Secondary													
	0 5 0 1	98,911,311	12,800,431	4,913,670	97.440	114.630	9,638,118	1,467,111	563,254	451,976	94,263	56,724	12,271,648
	0 5 0 1												
						Share of telephone and telegraph taxation 0 5 2 1 0 12		286,110					286,110
						Subtotal secondary 13	9,638,118	1,753,629	563,254	451,976	94,263	56,724	12,557,964
						Total all school board taxation 0 6 3 2 0 14	23,694,843	4,186,799	1,385,333	103,755	229,886	138,528	30,739,144

ANALYSIS OF CURRENT REVENUE FOR SPECIFIC FUNCTIONS

for the year ended December 31, 1986

Municipality

City of Gloucester

3

		Ontario specific grants	Canada grants	other municipalities - grants, fees, and service charges	fees, service charges and donations
		1 $	2 $	3 $	4 $
General government	1	64,491			192,502
Protection to persons and property					
Fire	2	401			11,615
Police	3	532			174,903
Conservation authority	4				
Protective inspection and control	5	790			40,243
	6				
Subtotal	7	1,723			226,761
Transportation services					
Roadways	8	1,251,382	2,400		799,658
Winter control	9	534,059			
Transit	10				
Parking	11				
Street lighting	12				174,617
Air transportation	13				
	14				
Subtotal	15	1,785,441	2,400		974,275
Environmental services					
Sanitary sewer system	16				
Storm sewer system	17				
Waterworks system	18				
Garbage collection	19				293
Garbage disposal	20				
Pollution control	21				
	22				
Subtotal	23				293
Health services					
Public health services	24				
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				
	29				
Subtotal	30				
Social and family services					
General assistance	31				
Assistance to aged persons	32				
Assistance to children	33				
Day nurseries	34				10,561
	35				
Subtotal	36				10,561
Recreation and cultural services					
Parks and recreation	37	23,089	27,427	47,895	2,437,722
Libraries	38	205,835			55,697
Other cultural	39				
Subtotal	40	228,924	27,427	47,895	2,493,419
Planning and development					
Planning and zoning	41	1,079			53,611
Commercial and industrial	42	605			
Residential development	43				
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				4,423
	46				
Subtotal	47	1,684			58,034
Electricity	48				
Gas	49				
Telephone	50				
Total	51	2,082,263	29,827	47,895	3,955,845

ANALYSIS OF REVENUE FUND EXPENDITURES

for the year ended December 31, 1986

Municipality: City of Gloucester

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		1	2	3	4	5	6	7	
		$	$	$	$	$	$	$	
General government	1	1,920,381	30,596	1,587,451	468,929	89,564	23,965	4,111,890	1
Protection to persons and property									
Fire	2	3,896,338	105,505	261,878	41,513	11,486	87,515	4,404,235	2
Police	3	5,560,354	86,797	746,675	259,581	0	7,764	6,661,171	3
Conservation authority	4								4
Protective inspection and control	5	440,220	0	22,354	0	0	30,600	493,174	5
	6								6
Subtotal	7	9,896,912	192,302	1,030,907	301,094	11,486	125,879	11,558,580	7
Transportation services									
Roadways	8	1,973,795	354,817	2,074,012	1,558,377	0	(678,690)	5,282,311	8
Winter control	9	290,190	0	777,927	0	0	0	1,068,117	9
Transit	10	0	0	231,912	119,590	0	0	351,502	10
Parking	11								11
Street lighting	12								12
Air transportation	13								13
	14								14
Subtotal	15	2,263,985	354,817	3,083,851	1,677,967	0	(678,690)	6,701,930	15
Environmental services									
Sanitary sewer system	16	306,345	2,033,505	90,030	0	0	95,137	2,525,017	16
Storm sewer system	17	0	0	0	540,000	0	0	540,000	17
Waterworks system	18	0	56,176	42	0	0	0	56,218	18
Garbage collection	19	0	0	1,367,613	0	0	0	1,367,613	19
Garbage disposal	20								20
Pollution control	21								21
	22								22
Subtotal	23	306,345	2,089,681	1,457,685	540,000	0	95,137	4,488,848	23
Health services									
Public health services	24								24
Public health and control	25	0	0	0	0	19,153	0	19,153	25
Hospitals	26								26
Ambulance services	27								27
Cemeteries	28								28
	29								29
Subtotal	30	0	0	0	0	19,153	0	19,153	30
Social and family services									
General assistance	31								31
Assistance to aged persons	32								32
Assistance to children	33								33
Day nurseries	34	0	0	45	0	258,972	0	259,017	34
	35								35
Subtotal	36	0	0	45	0	258,972	0	259,017	36
Recreation and cultural services									
Parks and recreation	37	4,008,035	516,803	1,842,763	420,734	381,881	420,882	7,591,098	37
Libraries	38	641,040	19,539	320,382	186,307	0	0	1,167,268	38
Other cultural	39								39
Subtotal	40	4,649,075	536,342	2,163,145	607,041	381,881	420,882	8,758,366	40
Planning and development									
Planning and zoning	41	698,306	0	71,644	10,138	0	9,787	789,875	41
Commercial and industrial	42	112,297	454,880	36,475	0	0	5,040	608,692	42
Residential development	43								43
Agriculture and reforestation	44								44
Tile drainage/shoreline assistance	45	0	4,423	0	0	0	0	4,423	45
	46								46
Subtotal	47	810,603	459,303	108,119	10,138	0	14,827	1,402,990	47
Electricity	48								48
Gas	49								49
Telephone	50								50
Total	51	19,847,303	3,663,041	9,428,205	3,605,169	761,056	0	37,302,774	51

		$
Total of column 2 includes:		
Payments to Ontario in respect of Downtown Revitalization Program loans	81	
Accrued interest (enter an amount only if the change to the accrual basis was made in the reporting year)	82	
Interest portion of transit debt charges included on line 10	83	
Total of column 3 includes:		
Ministry of the Environment		
Provincial projects service charges — water	52	
— sewer	53	
Provincial projects frontage and connection charges — water	57	
— sewer	58	
Joint projects operating charges — water	54	
— sewer	55	
O.P.P. policing contracts	56	
Short term interest costs	60	
Total of column 5 includes:		
Grants to charitable and non-profit organizations	62	99,782
Grants to universities and colleges	63	
Contributions to UNCONSOLIDATED joint local boards		
Health unit	64	
District welfare board	65	
Home for the aged	66	
Recreation board(s)	67	
Fire area board	68	
Suburban roads commission	69	
	70	
	71	
Line 1 of column 7 includes:		
Members of council	72	310,772
Line 51 of column 7 includes:		
Payments in respect of long term commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board. Exclude debt charges reported in column 2.	73	

ANALYSIS OF CAPITAL OPERATIONS

for the year ended December 31, 1986

Municipality

CITY OF GLOUCESTER

		1 $
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	1	3,735,040
Sources of financing		
Contributions from own funds		
Revenue fund	2	1,916,733
Reserves and reserve funds	3	8,594,895
Subtotal	4	10,511,628
Long term liabilities incurred		
Central Mortgage and Housing Corporation	5	
Ontario Municipal Improvement Corporation	7	
Commercial Area Improvement Program	9	
Other Ontario housing programs	10	
Ministry of the Environment	11	
Tile drainage and shoreline property assistance programs	12	
The Public		
Serial debentures	13	6,662
Sinking fund debentures	14	1,311,190
.	15	
.	16	
.	17	
Subtotal*	18	1,317,852
Grants and loan forgiveness		
Ontario	20	649
Canada	21	
Other municipalities	22	
Subtotal	23	649
Other financing		
Prepaid special charges	24	79,721
Proceeds from sale of fixed assets	25	
Investment income		
From own funds	26	15,116
Other	27	
Donations	28	1,293
.	30	
.	31	
Subtotal	32	96,130
Total sources of financing	33	11,926,259
Applications		
Own expenditures		
Short term interest costs	34	247,144
Other	35	7,885,233
Subtotal	36	8,132,377
Transfers of proceeds from long term liabilities to:		
Other municipalities	37	
Unconsolidated local boards	38	
Individuals	39	
Subtotal	40	
Transfers to reserves, reserve funds and the revenue fund	41	160,347
Total applications	42	8,292,724
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	43	101,505
Amount reported in line 43 analysed as follows:		
Unapplied capital receipts	44	(150,415)
To be recovered from:		
—taxation or user charges within term of council	45	
—proceeds from long term liabilities	46	251,920
—transfers from reserves and reserve funds	47	
—other (specify)	48	
Total unfinanced capital outlay (unexpended capital financing)	49	101,505
*amount in line 18 raised on behalf of other municipalities	19	

ANALYSIS OF CAPITAL GRANTS AND OWN EXPENDITURES

for the year ended December 31, 1986

Municipality

CITY OF GLOUCESTER

6
10

		CAPITAL GRANTS			TOTAL OWN EXPENDITURES
		Ontario grants	Canada grants	Other municipalities	
		1 $	2 $	3 $	4 $
General government	1				669,426
Protection to persons and property					
Fire	2				188,733
Police	3				241,417
Conservation authority	4				
Protective inspection and control	5				
	6				
Subtotal	7				430,150
Transportation services					
Roadways	8				1,067,068
Winter control	9				
Transit	10				
Parking	11				
Street lighting	12				823,788
Air transportation	13				
	14				
Subtotal	15				1,890,856
Environmental services					
Sanitary sewer system	16	649			272,448
Storm sewer system	17				437,423
Waterworks system	18				
Garbage collection	19				
Garbage disposal	20				
Pollution control	21				
	22				
Subtotal	23	649			709,871
Health services					
Public health services	24				
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				
	29				
Subtotal	30				
Social and family services					
General assistance	31				
Assistance to aged persons	32				
Assistance to children	33				
Day nurseries	34				
	35				
Subtotal	36				
Recreation and cultural services					
Parks and recreation	37				1,690,195
Libraries	38				186,307
Other cultural	39				
Subtotal	40				1,876,502
Planning and development					
Planning and zoning	41				10,138
Commercial and industrial	42				2,545,434
Residential development	43				
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
	46				
Subtotal	47				2,555,572
Electricity	48				
Gas	49				
Telephone	50				
Total	51	649			8,132,377

ANALYSIS OF NET LONG TERM LIABILITIES BY FUNCTION

as at December 31, 1986

Municipality

CITY OF GLOUCESTER

			$
General government		1	
Protection to persons and property			
Fire		2	324,839
Police		3	365,113
Conservation authority		4	
Protective inspection and control		5	
.		6	
	Subtotal	7	689,952
Transportation services			
Roadways		8	777,085
Winter control		9	
Transit		10	
Parking		11	
Street lighting		12	10,000
Air transportation		13	
.		14	
	Subtotal	15	787,085
Environmental services			
Sanitary sewer system		16	9,241,706
Storm sewer system		17	1,417,945
Waterworks system		18	434,884
Garbage collection		19	
Garbage disposal		20	
Pollution control		21	
.		22	
	Subtotal	23	11,094,535
Health services			
Public health services		24	
Public health inspections and control		25	
Hospitals		26	
Ambulance services		27	
Cemeteries		28	
.		29	
	Subtotal	30	
Social and family services			
General assistance		31	
Assistance to aged persons		32	
Assistance to children		33	
Day nurseries		34	
.		35	
	Subtotal	36	
Recreation and cultural services			
Parks and recreation		37	1,867,518
Libraries		38	62,179
Other cultural		39	
	Subtotal	40	1,929,697
Planning and development			
Planning and zoning		41	
Commercial and industrial		42	36,037
Residential development		43	
Agriculture and reforestation		44	
Tile drainage/shoreline assistance		45	17,541
.		46	
	Subtotal	47	53,578
Electricity		48	1,503,756
Gas		49	
Telephone		50	
	Total	51	16,058,603

ANALYSIS OF [redacted] ITEMS
LIABILITIES AND COMMITMENTS

for the year ended December 31, 1986

Municipality: CITY OF GLOUCESTER — 8

			1 $
1. Calculation of debt burden of the municipality			
All debt issued by the municipality, predecessor municipalities and consolidated entities			
To Ontario and agencies		1	92,978
To Canada and agencies		2	
To other		3	94,000
	Subtotal	4	186,978
Plus: All debt assumed by the municipality from others		5	19,321,531
Less: All debt assumed by others			
Ontario		6	
Schoolboards		7	92,978
Other municipalities		8	18,076
	Subtotal	9	111,054
Less: Ministry of the Environment debt retirement funds			
—sewer		10	
—water		11	
Own sinking funds (actual balances)			
—general municipal		12	1,960,392
—enterprises and other		13	1,378,460
	Subtotal	14	3,338,852
	Total	15	16,058,603
Sinking fund debentures		16	1,604,148
Installment (serial) debentures		17	12,454,455
Long term bank loans		18	
Lease purchase agreements		19	
Mortgages		20	
Ministry of the Environment		22	
		23	
		24	

			$
2. Total debt payable in foreign currencies (net of sinking fund holdings)			
U.S. dollars—Canadian dollar equivalent included in line 15 above		25	1,988,653
—per value of this amount in U.S. dollars		26	1,879,239
Other —Canadian dollar equivalent included in line 15 above		27	
—per value of this amount in _____		28	

			$
3. Interest earned on sinking funds and debt retirement funds during the year			
Own funds		29	409,819
Ministry of the Environment—sewer		30	
—water		31	

			$
4. Actuarial balance of own sinking funds at year end		32	2,422,725

			$
5. Long term commitments and contingencies at year end			
Total liability for accumulated sick pay credits		33	1,181,526
Total liability under OMERS plans			
—initial unfunded (payable over 15 years) (number of employees 167)		34	198,086
—actuarial deficiency (payable over 13 years)		35	
Total liability for own pension funds			
—initial unfunded (payable over ____ years) (number of employees ____)		36	
—actuarial deficiency (payable over ____ years)		37	
Outstanding loans guaranteed (payable over ____ years)		38	
Commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board		39	
—hospital support		40	
—university support		41	5,794,800
—leases and other agreements		42	
Other (specify)		43	
		44	
	Total	45	7,174,412

6. Ministry of the Environment Provincial Projects

		1 accumulated surplus (deficit) $	2 total outstanding capital obligation $	3 debt charges $
Water projects —for this municipality only	46			
—share of integrated project(s)	47			
Sewer projects —for this municipality only	48			
—share of integrated project(s)	49			

7. 1986 Debt Charges

		principal 1 $	interest 2 $
Recovered from the consolidated revenue fund			
—general tax rates	50	823,769	592,192
—special area rates and special charges	51	478,035	654,166
—benefitting landowners	52	424,134	690,745
—user rates (consolidated entities)	53		
Recovered from reserve funds	54		
Recovered from unconsolidated entities			
—hydro	55	160,781	277,360
—gas and telephone	56		
—	58		
—	59		
Total	78	1,886,719	2,214,463

8. Future principal and interest payments on existing net debt

		recoverable from the consolidated revenue fund principal 1 $	recoverable from the consolidated revenue fund interest 2 $	recoverable from reserve funds principal 3 $	recoverable from reserve funds interest 4 $	recoverable from unconsolidated entities principal 5 $	recoverable from unconsolidated entities interest 6 $
1987	60	1,340,557	1,896,487			167,765	266,288
1988	61	1,314,555	1,747,671			139,765	254,607
1989	62	1,383,122	1,618,039			113,765	244,784
1990	63	1,430,647	1,456,032			118,765	195,267
1991	64	1,466,490	1,336,226			123,765	142,424
1992-1996	65	5,908,365	1,922,039			620,821	570,181
1997 onwards	79	997,219	514,056			30,242	93,749
Interest to be earned on sinking funds*	69	623,892				188,868	
Downtown revitalization program	70						
Total	71	14,554,847	12,490,550			1,503,756	1,768,300

*includes interest to be earned on Ministry of the Environment debt retirement funds

9. Future principal payments on expected new debt

		1 $
1987	72	
1988	73	1,439,240
1989	74	1,948,753
1990	75	2,342,646
1991	76	2,612,059
Total	77	8,342,698

10. Other notes (attach supporting schedule as required)

CONTINUITY OF UPPER TIER AND SCHOOL BOARD LEVIES

for the year ended December 31, 1986

Municipality

CITY OF GLOUCESTER

9LT

UPPER TIER		1 Balance at beginning of year $	2 Amounts requisitioned $	3 Supplementary taxes $	4 Total requisitioned $	5 Amount levied $	6 Telephone and telegraph taxation $	7 Share of Provincial grants $	8 Share of payments in lieu of taxes $	9 Other $	10 Total raised $	11 Balance at end of year $	
Included in general mill rate for upper tier purposes													
General requisition	1	(44,530)	8,675,315	439,403	9,114,718	9,034,021	200,132	0	5,858	0	9,240,011	80,763	
Special purpose requisitions													
Water rate	2												
Transit rate	3												
Sewer rate	4												
Library rate	5												
Road rate	6												
	7												
	8												
	9												
	10												
Sub total levied by mill rate—general	11	(44,530)	8,675,315	439,403	9,114,718	9,034,021	200,132	0	5,858	0	9,240,011	80,763	11
Special purpose requisitions													
Water	12												
Transit	13	61,910	3,713,043	172,349	3,885,392	3,423,629	71,346	0	447,082	0	3,942,057	118,575	
Sewer	14	34,213	1,578,346	78,544	1,656,890	1,539,661	31,379	0	187,340	0	1,758,380	135,703	
Library	15									0			
	16												
	17												
Sub total levied by mill rate—special areas	18	96,123	5,291,389	250,893	5,542,282	4,963,290	102,725	0	634,422	0	5,700,437	254,278	18
Special charges	19	0	828,781	35,634	864,415	767,163	0	0	97,252	0	864,415	0	19
Direct water billings	20												20
Sewer surcharge on direct water billings	21												21
Total region or county	22	51,593	14,795,485	725,930	15,521,415	14,764,474	302,857	0	737,532	0	15,804,863	335,041	22

SCHOOL BOARDS		1 Balance at beginning of year $	2 Amounts requisitioned $	3 Supplementary taxes $	4 Grants, shares of under Statutes $	5 Total requisitioned $	6 Amount levied $	7 Telephone and telegraph taxation $	8 Share of payments in lieu of taxes $	9 Grants, shares of under Statutes $	10 Total raised $	11 Balance at end of year $	
Elementary public	23	(58,062)	10,656,884	574,661	0	11,231,545	10,940,603	291,511	0	0	11,356,114	99,507	
	24												
	25												
	26												
	27												
Elementary separate	28	0	6,530,521	294,545	0	6,825,066	6,825,066	0	0	0	6,825,066	0	
	29												
	30												
	31												
Secondary	32	181	11,954,409	602,961	0	12,557,172	12,271,648	286,316	0	0	12,557,964	773	
	33												
	34												
	35												
Total school boards	36	(57,881)	29,141,814	1,472,169	0	30,613,983	30,161,317	577,827	0	0	30,739,144	67,280	36

CONTINUITY OF RESERVES AND RESERVE FUNDS

for the year ended December 31, 1986

Municipality: CITY OF GLOUCESTER

10

15

		1 $
Balance at beginning of year	1	22,141,157
Revenues		
Contributions from revenue fund	2	1,688,436
Contributions from capital fund	3	
Lot levies and subdivider contributions	60	2,398,341
Recreational land (the Planning Act)	61	341,548
Investment income—from own funds	5	1,496,570
—other	6	
Ontario Grants	9	107,529
Municipal Grants	10	19,010
Fixed Asset Sales	11	705,727
Other	12	8,810
Total revenue	13	6,765,971
Expenditures		
Transferred to capital fund	14	8,594,895
Transferred to revenue fund	15	46,404
Charges for long term liabilities—principal and interest	16	
	63	
	20	
	21	
Total expenditure	22	8,641,299
Balance at end of year for:		
Reserves	23	5,407,801
Reserve Funds	24	14,858,028
Total	25	20,265,829
analysed as follows:		
Working funds	26	731,302
Contingencies	27	
Ministry of the Environment fund for renewals, etc.		
—sewer	28	
—water	29	
Replacement of equipment	30	1,770,124
Sick leave	31	1,181,526
Insurance	32	
Workmen's compensation	33	
Capital expenditure—general administration	34	299,354
—roads	35	265,905
—sanitary and storm sewers	36	2,241,116
—parks and recreation	64	255,889
—library	65	
—other cultural	66	
—water	38	
—transit	39	
—housing	40	
—industrial development	41	501,309
—other and unspecified	42	
Lot levies and subdivider contributions	44	11,581,314
Recreational land (the Planning Act)	46	1,337,990
Parking revenues	45	
Debenture repayment	47	
Exchange rate stabilization	48	
Waterworks current purposes	49	
Transit current purposes	50	
Library current purposes	51	
Election Current purposes	52	100,000
	53	
	54	
	55	
	56	
	57	
Total	58	20,265,829

ANALYSIS OF CONSOLIDATED YEAR END BALANCES
as at December 31, 1986

Municipality: City of Gloucester

		1 $	2 $
ASSETS			
Current assets			portion of cash not in chartered banks
Cash	1	28,362,012	
Accounts receivable			
Canada	2	947,005	
Ontario	3	741,643	
Region or county	4		
Other municipalities	5		
School boards	6	40,896	
Waterworks	7		portion of taxes receivable for business taxes
Other (including unorganized areas)	8	646,906	
Taxes receivable			
Current year's levies	9	1,464,446	51,696
Previous year's levies	10	105,431	8,698
Prior years' levies	11	45,655	500
Penalties and interest	12	77,526	2,401
Less allowance for uncollectables	13	(149,822)	(18,339)
Investments (market value $			
Canada	14		
Provincial	15		
Municipal	16		
Other	17		portion of line 20 for tax sale/tax registration
Other current assets	18	13,908	
Capital outlay to be recovered in future years	19	16,058,603	
Other long term assets	20	93,686	93,686
Total	21	48,447,895	
LIABILITIES			portion of loans not from chartered banks
Current liabilities			
Temporary loans—current purposes	22		
—capital—Ontario	23		
—Canada	24		
—Other	25		
Accounts payable and accrued liabilities			
Canada	26		
Ontario	27		
Region or county	28	648,695	
Other municipalities	29		
School boards	30	951,493	
Trade accounts payable	31	4,348,576	
Other	32		
Other current liabilities	33	3,308,104	
Net long term liabilities			
Recoverable from the Consolidated Revenue Fund			
—general tax rates	34	3,471,906	
—special area rates and special charges	35	6,990,786	
—benefitting landowners	36	4,092,155	
—user rates (consolidated entities)	37		
Recoverable from Reserve Funds	38		
Recoverable from unconsolidated entities	39	1,503,756	
Less: Own holdings	40	( )	
Reserves and reserve funds	41	20,265,829	
Accumulated net revenue (deficit)			
General revenue	42	2,108,385	
Special charges and special areas (specify)			
. Local Improvements	43	9,760	
. Recreation Areas	44	177,427	
. Urban Services	45	262,367	
.	46		
Consolidated local boards (specify)			
Transit operations	47		
Water operations	48		
Libraries	49	7,840	
Cemeteries	50		
Recreation, community centres and arenas	51		
.	52		
.	53		
.	54		
.	55		
Region or county	56	335,041	
School boards	57	67,280	
Unexpended capital financing/(unfinanced capital outlay)	58	(101,505)	
Total	59	48,447,895	

Municipality

CITY OF GLOUCESTER

12

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STATISTICAL DATA

for the year ended December 31, 1986

1 Number of continuous full time employees as at December 31

Administration	1	11
Non line Departmental Support Staff	2	32
Fire	3	84
Police	4	134
Transit	5	
Public Works	6	89
Health Services	7	
Homes for the Aged	8	
Other Social Services	9	
Parks and Recreation	10	86
Libraries	11	12
Planning	12	17
Total	13	464

2 Total expenditures during the year on:

		full time employees December 31	Other
		1	2
		$	$
Wages and salaries	14	15,177,371	2,037,933
Employee benefits	15	2,469,573	162,424

3 Reductions of tax roll during the year (lower tier municipalities only)

Cash collections	Current year's tax	16	58,751,702
	Previous years' tax	17	1,219,789
	Penalties and interest	18	337,935
	Subtotal	19	60,311,426
Discounts allowed		20	
Tax adjustments under section 362 and 363 of the Municipal Act			
– amounts added to the roll		22	(122,464)
– amounts written off		23	1,173
Tax adjustments under sections 465, 495 and 496 of the Municipal Act			
– recoverable from upper tier and school boards		24	253,248
– recoverable from general municipal revenues		25	100,475
Transfers to tax sale and tax registration accounts		26	
The Municipal Elderly Residents' Assistance Act – reductions		27	
– refunds		28	
Other (specify)		80	
Total reductions		29	60,118,858
Amounts added to the tax roll for collection purposes only		30	2,782
Business taxes written off under subsection 495 (1) of the Municipal Act		81	174,216

4 Tax due dates for 1986 (lower tier municipalities only)

Interim billings	Number of installments	31	1
	Due date of first installment (MMDDYY)	32	03-27-86
	Due date of last installment (MMDDYY)	33	
Final billings	Number of installments	34	2
	Due date of first installment (MMDDYY)	35	06-30-86
	Due date of last installment (MMDDYY)	36	09-30-86
Supplementary taxes levied with 1987 due date		37	$

5 Projected capital expenditures and long term financing requirements as at December 31

Estimated to take place		gross expenditure	long term financing requirements: approved by the O M B	submitted but not yet approved by the O M B	forecast not yet submitted to the O M B
		1	2	3	4
		$	$	$	$
In 1987	58	30,318,586	1,150,963	1,160,000	18,628,137
In 1988	59	20,938,150			8,292,200
In 1989	60	10,480,800			5,908,400
In 1990	61	12,471,400			4,041,300
In 1991	62	30,623,900			24,162,000
Total	63	112,832,836	1,150,963	1,160,000	61,011,937

		balance in fund	loans outstanding
		1	2
		$	$
6 Ontario Home Renewal Plan trust fund at year end	82	46,940	27,114

7 Analysis of direct water and sewer billings as at December 31

water

		number of residential units	1986 billings: residential units	1986 billings: all other properties	
		1	2	3	4
In this municipality	39				
In other municipalities (specify municipality)	40				
	41				
	42				
	43				
	64				

sewer

		number of residential units	1986 billings: residential units	1986 billings: all other properties	
		1	2	3	4
In this municipality	44	27,935	916,595	191,461	
In other municipalities (specify municipality)	45				
	46				
	47				
	48				
	65				

		water	sewer
		1	2
Number of residential units in this municipality receiving municipal water and sewer services but which are not on direct billing	66		

8 Selected investments of own sinking funds as at December 31

		own municipality	other municipalities, school boards	Province	Federal
		1	2	3	4
		$	$	$	$
Own sinking funds	83				

9 Borrowing from own reserve funds

Loans or advances due to reserve funds as at December 31	84	

10 Joint boards consolidated by this municipality

name of joint boards		total board expenditure	contribution from this municipality	this municipality's share of total municipal contributions	for computer use only
		1	2	3	4
		$	$	$	
	53				
	54				
	55				
	56				
	57				

11 Applications to the Ontario Municipal Board

		tile drainage, shoreline assistance, downtown revitalization, electricity, gas, telephone	other	total
		1	2	3
		$	$	$
Approved but not financed as at Dec. 31, 1985	67	241,600	4,295,221	4,295,221
Approved in 1986	68		4,824,000	4,824,000
Financed in 1986	69		2,143,260	2,143,260
No long term financing necessary	70		5,825,000	5,825,000
Balance approved but not financed as at Dec. 31, 1986	71	241,600	1,150,961	1,150,961
Applications submitted but not approved as at December 31, 1986	72	0,000	1,160,000	1,160,000

12 Forecast of total revenue fund expenditures

		1987	1988	1989	1990	1991
		1	2	3	4	5
		$	$	$	$	$
	73	41,880,765	49,146,457	55,044,032	61,649,115	69,047,211

ACCOUNTANT'S COMMENTS

Municipality

THE CORPORATION OF THE CITY OF GLOUCESTER

To the Ministry of
Municipal Affairs and Housing:

Our examination of the financial statements of The Corporation of the City of Gloucester for the year ended December 31, 1986 was made for the purpose of forming an opinion on the financial statements referred to in our auditors' report to the Members of Council, Inhabitants and Ratepayers dated March 31, 1987.

At your request, we have performed the following procedures in connection with Schedules 1 to 11 of the Financial Information Return of the Corporation of the City of Gloucester for the year ended December 31, 1986:

(a) we have compared the amounts disclosed on these schedules to the books and records of the City and found them to be in agreement;

(b) we have added and cross-added all schedules; and,

(c) we have cross-referenced the information on the schedules where applicable.

The noted schedules have not been subjected to the auditing procedures applied in the examination of the financial statements and accordingly we do not express an opinion on the fair presentation of this information.

Clarkson Gordon

Ottawa, Canada
March 31, 1987.

Chartered Accountants.

ANALYSIS OF REVENUE FUND REVENUES — 1

Note: Upper tiers use column 4 only.

		upper tier purposes 2 $	own purposes 4 $
Taxation			
Direct water billings on ratepayers - own municipality	2		
Sewer surcharge on direct water billings - own municipality	4		1,108,055
Payments in lieu of taxes			
Subtotal	18	737,532	5,722,962

ANALYSIS OF TAXATION — 2LT

LOCAL TAXABLE ASSESSMENT

I. Own purposes (a) Levied by mill rate		residential and farm 1 $	commercial and industrial 2 $	business 3 $
General	30	98,913,311	12,800,431	4,913,670
police villages at reduced rates	31			
farms at reduced rates	32			

TAXES LEVIED

		commercial and industrial 7 $	business 8 $	total 12 $
Subtotal levied by mill rate	1	1,733,651	665,412	
Share of telephone and telegraph taxation	2			344,564
Total own purposes taxation	4			15,825,172
II. Upper tier purposes				
Subtotal levied by mill rate	5	1,618,375	621,761	
share of telephone and telegraph taxation	6			302,857
Total upper tier taxation	8			15,067,331

ANALYSIS OF CAPITAL OPERATIONS — 5

		1 $
Other financing		
Prepaid special charges	24	79,721

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF GLOUCESTER

FINANCIAL STATEMENTS

DECEMBER 31, 1986

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

Chartered Accountants
Suite 1600
55 Metcalfe Street
Ottawa Canada K1P 6L5
Telephone (613) 232-1511
Telex 053-4206

AUDITORS' REPORT

Chairman and Members of
The Board of The Hydro-Electric
Commission of the City of Gloucester:

We have examined the balance sheet of The Hydro-Electric Commission of the City of Gloucester as at December 31, 1986 and the statements of operations and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Ottawa, Canada,
March 18, 1987.

Clarkson Gordon
Chartered Accountants

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF GLOUCESTER

BALANCE SHEET

DECEMBER 31, 1986

ASSETS

	1986	1985
Fixed, at cost:		
Land	$ 216,956	$ 215,158
Buildings, plant and equipment	32,877,417	28,653,910
Office equipment and rolling stock	1,929,823	1,760,111
Construction in progress	327,626	539,471
	35,351,822	31,168,650
Less accumulated depreciation	9,542,214	8,274,736
	25,809,608	22,893,914
Current:		
Cash	3,666,846	3,872,799
Accounts receivable	1,536,374	1,628,167
Unbilled revenue	3,406,470	3,187,364
Inventories	1,414,224	1,168,351
	10,023,914	9,856,681
Deferred charges, at cost less accumulated amortization:		
Pension purchase contracts (notes 1(f) and 4)	253,310	279,597
Discount on U.S. debentures (note 1(h))	27,001	31,073
Deferred charge (note 1(i))	28,160	32,830
	308,471	343,500
Equity in Ontario Hydro (note 5)	10,099,862	8,694,176
	$46,241,855	$41,788,271

LIABILITIES

	1986	1985
Long-term debt:		
Debenture debt, net of current portion (notes 1(k) and 2)	$ 2,710,774	$ 2,847,887
Less current value of sinking funds (notes 1(j) and 2)	1,326,382	1,203,933
	1,384,392	1,643,954
Pension purchase contracts liability, net of current portion (notes 1(f) and 4)	224,922	253,310
	1,609,314	1,897,264
Current liabilities:		
Accounts payable and accrued charges	2,561,773	2,592,349
Current portion of pension purchase contracts liability (notes 1(f) and 4)	28,388	26,287
Current portion of debenture debt (notes 1(k) and 2)	167,356	160,356
	2,757,517	2,778,992
Total liabilities	4,366,831	4,676,256
Deferred credit:		
Contributions in aid of construction subject to amortization (note 1(g))	8,590,938	6,896,591
Less accumulated amortization	855,900	571,354
	7,735,038	6,325,237
Capital:		
Accumulated net income	18,323,658	16,376,136
Contributions in aid of construction not subject to amortization (note 1(g))	5,716,466	5,716,466
	24,040,124	22,092,602
Reserve for equity in Ontario Hydro (note 5)	10,099,862	8,694,176
	$46,241,855	$41,788,271

On behalf of the Board:

Commissioner

Commissioner

(See accompanying notes to the financial statements)

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF GLOUCESTER

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1986

	1986	1985
Revenue:		
Sale of electrical energy -		
Residential	$15,989,328	$14,508,514
General rate	13,231,121	12,222,944
Street lighting	227,152	213,482
Unbilled revenue adjustment	219,106	454,307
	29,666,707	27,399,247
Other income -		
Interest and other finance charges	440,160	424,103
Miscellaneous	120,675	135,771
Water heater rental	68,416	74,105
Office rental	39,502	37,500
	30,335,460	28,070,726
Expenses:		
Financial expense (note 1(k))	345,442	417,104
Less income from sinking fund	(92,206)	(128,973)
	253,236	288,131
Energy cost	24,891,739	22,794,858
Administration	1,558,264	1,414,531
Depreciation expense not allocated as overhead	1,202,596	1,036,444
Operation maintenance	712,649	581,227
Bad debt expense	54,000	48,000
Less amortization of contributions in aid of construction (note 1(g))	(284,546)	(216,858)
	28,387,938	25,946,333
Net income	1,947,522	2,124,393
Accumulated net income, beginning of year	16,376,136	14,251,743
Accumulated net income, end of year	$18,323,658	$16,376,136

(See accompanying notes to the financial statements)

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF GLOUCESTER

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1986

	1986	1985
Cash provided by (used in) operating activities:		
Net income	$1,947,522	$2,124,393
Add (deduct) -		
Depreciation of fixed assets	1,298,987	1,118,632
Amortization of deferred charges	41,697	42,638
Amortization of contributions in aid of contruction	(284,546)	(216,858)
Increase in present value of sinking fund	(92,206)	(110,802)
	2,911,454	2,958,003
Payment of pension purchase contracts liability	(26,287)	(24,339)
Net change in non-cash working capital balances related to operations (note 7)	(403,762)	(159,890)
Cash provided by operating activities	2,481,405	2,773,774
Cash provided by (used in) investment activities:		
Purchase of fixed assets (net)	(4,214,681)	(3,642,870)
Additions to deferred charges	(6,668)	(14,300)
Contributions in aid of construction	1,694,347	1,728,383
Cash used in investment activities	(2,527,002)	(1,928,787)
Cash used in financing activities:		
Repayment of long-term debenture debt	(130,113)	(266,196)
Contribution to the sinking fund	(30,243)	(30,243)
Cash used in financing activities	(160,356)	(296,439)
Net increase (decrease) in cash during the year	(205,953)	548,548
Cash balance, beginning of year	3,872,799	3,324,251
Cash balance, end of year	$3,666,846	$3,872,799

(See accompanying notes to the financial statements)

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

1. Significant Accounting Principles

The Commission follows the accounting principles prescribed in the manual of Accounting for Municipal Electrical Utilities in Ontario under the authority of Acts of the Province of Ontario and permitted by Ontario Hydro. The more significant of these accounting principles are presented below:

a) Recognition of Revenue -

Revenue from sale of electrical energy includes an accrual for power supplied but not billed to customers between the date meters were last read and the year end.

b) Cost of Power Adjustment -

Ontario Hydro annually adjusts the interim power bills issued for the months of January to December to reflect the actual cost of power supplied during the year. The cost of power adjustment has been recorded in the year in which the power was purchased.

c) Inventory -

Inventory is valued at the lower of moving average cost and replacement cost. Inventory is comprised of materials and supplies used to maintain and upgrade the electrical distribution system.

d) Fixed Assets -

Fixed assets are stated at acquisition cost less applicable sales tax rebates. Depreciation is determined on a straight-line basis with reference to estimated useful lives of the assets in accordance with Ontario Hydro policy. In accordance with a new recommendation in the

1. Significant Accounting Principles (Cont'd.)

Manual of Accounting for Municipal Electric Utilities in Ontario, many of the asset groups' service lives for assets acquired after January 1, 1986 have been revised to 25 years from 30, 35 and 40 years. Amortization periods for other fixed assets vary from 4 to 60 years.

e) Construction in Progress -

Capital items purchased for capital projects under construction are included in construction in progress and are not depreciated until put into service. Capital items purchased and put into service are included in the appropriate fixed asset account and are subject to depreciation.

f) Pension Plan -

The liability for the costs under the pension plan is shown at its present value using a discount rate of 8%. The related deferred charge has been recorded in the accounts and is being amortized using a discount rate of 8% over the period that the Commission is required to fund these liabilities. In 1986, $26,286 ($24,339 in 1985) of the deferred charge and $22,367 ($24,315 in 1985) of interest was charged to operations.

g) Contributions in Aid of Construction -

Where contracts for supplying electrical equipment or electrical distribution systems are recoverable and ownership of the equipment and distribution systems remains with the Commission, the amount recoverable is considered a deferred credit and is amortized to operations at the rate used to depreciate the related fixed asset. Contributions in aid of construction received prior to January 1, 1980 are considered to be a permanent part of equity and are not amortized to operations.

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

1. Significant Accounting Principles (Cont'd.)

h) Discount on U.S. Debentures -

The discount on U.S. debentures is being amortized to income over the term of the debenture to which the discount relates. The amount of discounts on U.S. debentures charged to income was $4,072 in 1986 ($6,719 in 1985).

i) Deferred Charge -

The deferred charge represents computer software purchased by the Commission. These costs are being amortized to income on a straight-line basis over their estimated useful life of five years.

j) Sinking Fund Deposits -

The interest earned on sinking fund deposits is recorded as income for the year.

Information regarding the current earnings of the sinking funds is not available on a timely basis and therefore sinking fund earnings are reported one year in arrears.

k) Foreign Currency -

Long-term debt repayable in U.S. currency has been recorded on the basis of $1 Canadian being equal to $1 U.S. Any exchange difference incurred at the time of repayment is charged to interest expense in that year.

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

2. Long-term Debt

Long-term debenture debt was incurred by the City of Gloucester on behalf of the Commission. The debt bears interest at an average rate of approximately 9%. No assets of the Commission have been pledged as collateral for the debenture debt.

i) The approximate amounts of bonds maturing and sinking fund deposits required in the next five years are as follows:

	Payable in Canadian Funds		Payable in U.S. Funds	
	Principal	Interest	Principal	Interest
1987	$93,000	$219,000	$74,000	$47,000
1988	61,000	214,000	78,000	40,000
1989	30,000	212,000	83,000	33,000
1990	30,000	170,000	88,000	25,000
1991	91,000	127,000	32,000	17,000

ii) Included in debenture debt is an amount of $517,000 payable in U.S. funds and recorded on the basis of $1 Canadian being equal to $1 U.S. At December 31, 1986, the prevailing exchange rate was $1 U.S. for $1.38 Canadian. Had this liability of U.S. $517,000 been translated into Canadian dollars at the year-end exchange rate, it would have amounted to approximately $713,000.

iii) Commencing in 1981 Gloucester Hydro was no longer required to make an annual deposit of principal to two of the three sinking funds.

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

2. Long-term Debt (Cont'd.)

Sinking funds on deposit with the Regional Municipality of Ottawa-Carleton consist of the following amounts:

	1986	1985
Sinking fund deposits contributed by the commission	$ 606,348	$ 576,105
Statutory earning at 5%	203,311	169,561
Excess earnings	516,723	458,267
Total sinking funds on deposit with trustee	$1,326,382	$1,203,933

3. Commitments

The Commission has applied to Ontario Hydro to undertake a capital works program of $4,600,000 to be financed out of operating funds in 1987.

4. Pension Plan

The pension plan payments for the next five years are as follows:

	Principal	Interest	Total
1987	$28,388	$20,266	$48,654
1988	30,660	17,994	48,654
1989	33,113	15,541	48,654
1990	35,762	12,892	48,654
1991	38,623	10,031	48,654

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

5. Equity in Ontario Hydro

Under the terms of the Power Corporation Act, the annual provision of money sufficient to retire the outstanding debt of Ontario Hydro in forty years is an element of the cost of power.

The equity credited to the Commission is the accumulation of their payments for the debt retirement function and represents their share of the total equity of the system. Information regarding the amount of equity is not provided on a timely basis and therefore is reported one year in arrears.

6. Related Party Transactions

In the ordinary course of business, the Commission enters into transactions with related parties including Ontario Hydro and the City of Gloucester and its boards and agencies. The Commission derives revenues from the sale of electricity and recovers costs of supplying electrical equipment and distribution systems. Expenses from related parties include purchased power and municipal taxes. These transactions take place at fair market value.

Account balances resulting from these transactions are included in the balance sheet and are settled in accordance with normal trade terms.

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

7. Net Change in Non-cash Working Capital Balances Related to Operations

	1986	1985
Cash provided (used):		
Accounts receivable	$ 91,793	$ 24,903
Unbilled revenue	(219,106)	(454,307)
Inventories	(245,873)	(230,763)
Accounts payable and accrued charges	(30,576)	500,277
	$(403,762)	$(159,890)

PINEVIEW MUNICIPAL GOLF COURSE

FINANCIAL STATEMENTS

DECEMBER 31, 1986

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

Chartered Accountants
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AUDITORS' REPORT

To the Directors of
Pineview Municipal Golf Course:

We have examined the balance sheet of Pineview Municipal Golf Course as at December 31, 1986 and the statement of operations and deficit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the course as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Ottawa, Canada,
February 19, 1987.

Clarkson Gordon
Chartered Accountants

PINEVIEW MUNICIPAL GOLF COURSE
(Incorporated under the laws of Ontario)

BALANCE SHEET

DECEMBER 31, 1986

ASSETS

	1986	1985
Current:		
Cash	$ 5,530	$ 48,034
Accounts receivable	25,872	20,925
Inventories	34,736	28,720
Prepaid expenses	3,673	3,439
Due from (to) municipalities (note 3) -		
City of Ottawa	23,483	(69,308)
City of Gloucester	27,134	57,485
	120,428	89,295
Fixed, at cost (notes 3 and 4):		
Leasehold improvements -		
Building	829,316	823,167
Course and water systems	239,253	211,276
Land	200,000	200,000
Equipment	235,496	196,982
Furniture and fixtures	104,205	83,912
	1,608,270	1,515,337
Less accumulated depreciation and amortization	578,796	503,981
	1,029,474	1,011,356
	$1,149,902	$1,112,474

LIABILITIES AND EQUITY

	1986	1985
Current:		
Accounts payable and accrued charges	$ 39,159	$ 23,492
Advance deposits	6,930	10,052
Deferred revenue	74,339	55,751
	120,428	89,295
Equity:		
Capital investment (note 3)	1,616,908	1,523,975
Deficit	(587,434)	(512,619)
Total equity	1,029,474	1,011,356
	$1,149,902	$1,112,474

On behalf of the Board:

Director

Director

(See accompanying notes to the financial statements)

PINEVIEW MUNICIPAL GOLF COURSE

STATEMENT OF OPERATIONS AND DEFICIT

YEAR ENDED DECEMBER 31, 1986

	1986	1985
Revenue:		
Green fees and season passes	$393,724	$ 405,098
Cart, club and locker rentals	42,218	44,498
Hall rentals	1,775	1,550
Interest income	4,760	9,928
Miscellaneous	10,399	6,990
Gross profit, house operations (schedule A)	231,191	257,418
	684,067	725,482
Expenses (excluding depreciation and amortization):		
Course (schedule B)	165,954	157,281
Building maintenance (schedule B)	194,816	181,090
Catering (schedule C)	144,517	135,398
General (schedule C)	117,158	105,939
	622,445	579,708
Income before interest on capital investment, depreciation and amortization	61,622	145,774
Interest on capital investment (note 3(b))	61,622	97,516
Income before depreciation and amortization (note 3 (a))	-	48,258
Depreciation	70,815	77,984
Amortization	4,000	4,000
	74,815	81,984
Net loss for the year	(74,815)	(33,726)
Deficit, beginning of year	(512,619)	(478,893)
Deficit, end of year	$(587,434)	$(512,619)

(See accompanying notes to the financial statements)

PINEVIEW MUNICIPAL GOLF COURSE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

1. Corporate Status

Pineview Municipal Golf Course was incorporated on June 11, 1975 under the laws of the Province of Ontario as a Corporation without share capital for the purpose of operating a golf course on a not-for-profit basis. Accordingly, the golf course is exempt from income taxes.

2. Significant Accounting Policies

(a) Basis of Accounting:

The golf course follows the accrual basis of accounting except for unrecorded interest on capital investment from the Cities as described in note 3(b).

(b) Inventories:

Inventories are valued at the lower of cost, calculated on a first-in, first-out basis, and replacement cost.

(c) Fixed assets:

Fixed assets, including leasehold improvements, are recorded at cost and are depreciated or amortized on a straight-line basis at rates, set out below, which are expected to charge operations with the total cost of the assets over their estimated useful lives.

PINEVIEW MUNICIPAL GOLF COURSE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

2. Significant Accounting Policies (Cont'd)

Asset	Rate
Leasehold improvements -	
Building - over remaining term of lease	46 years
Course and water systems	5%
Land - over the term of the lease	50 years
Equipment -	
Held for rental	50%
Automotive	20%
Sprinklers	5%
Furniture and fixtures -	
Furniture and fixtures	10%
China, silver and glass	50%

3. Due from (to) Municipalities

The amounts due from the City of Ottawa and the City of Gloucester comprise the following:

	City of Ottawa	City of Gloucester	Total
Interest on capital investment	$(46,218)	$(15,404)	$(61,622)
Funding of 1986 fixed asset additions	69,701	23,232	92,933
Working capital advances	_____	19,306	19,306
	$23,483	$27,134	$50,617

PINEVIEW MUNICIPAL GOLF COURSE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

3. Due from (to) Municipalities (Cont'd.)

(a) Share of income or loss before depreciation and amortization:

Under the terms of an agreement between the City of Ottawa and the City of Gloucester a loss before depreciation and amortization shall be shared 75% and 25% respectively. Income before depreciation and amortization, if any, after paying back the accumulated losses referred to above and unrecorded interest on capital investment (note 3(b)), shall be retained in a special account to the credit of the golf course to be used in accordance with the terms of the lease with the National Capital Commission.

(b) Interest on capital investment:

In 1986, the golf course earned sufficient income to repay a portion of the accumulated unrecorded interest on the capital investment. As at December 31, 1986, the accumulated interest on capital investment and on the advances made by the respective municipalities, which has not been provided for in the financial statements, is as follows:

	City of Ottawa	City of Gloucester	Total
Balance, beginning of year	$598,575	$223,783	$822,358
Add interest earned	62,057	24,462	86,519
	660,632	248,245	908,877
Less interest paid	(46,218)	(15,404)	(61,622)
Balance, end of year	$614,414	$232,841	$847,255

PINEVIEW MUNICIPAL GOLF COURSE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

3. Due from (to) Municipalities (Cont'd.)

(c) Funding of fixed asset additions:

The agreement between the City of Ottawa and the City of Gloucester also provides that the original golf course acquisition cost and subsequent improvement and development costs shall be shared 75% and 25% respectively. Funding of fixed asset acquisitions to date, which is reflected on the accompanying balance sheet as "capital investment", is as follows:

	City of Ottawa	City of Gloucester	Total
Balance, beginning of year	$1,142,981	$380,994	$1,523,975
Funding of 1986 fixed asset additions	69,701	23,232	92,933
Balance, end of year	$1,212,682	$404,226	$1,616,908

(d) Working capital advances:

Under an administration arrangement with the City of Gloucester, the cash receipts of the golf course are deposited with the City which administers the cash disbursements and accounting functions on behalf of the Course.

PINEVIEW MUNICIPAL GOLF COURSE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

4. Long-term Lease

The City of Ottawa and the City of Gloucester have entered into a lease agreement with the National Capital Commission with respect to the property known as Pineview Municipal Golf Course.

The property is leased for a term of 50 years which expires in 2024 at an annual rent of $1. The cities have met a major condition of the lease, being the upgrading of the facilities.

5. Commitments

The City of Ottawa and the City of Gloucester have authorized the expansion of the golf course and related facilities at a budgeted cost of $500,000 to be incurred in 1987.

6. Statement of Changes in Financial Position

A statement of changes in financial position is not presented since it would not provide any additional useful information to readers.

PINEVIEW MUNICIPAL GOLF COURSE — SCHEDULE A

SCHEDULE OF GROSS PROFIT

HOUSE OPERATIONS

YEAR ENDED DECEMBER 31, 1986

	Food	Beverage	1986 Total	1985 Total
Sales	$242,262	$146,190	$388,452	$416,421
Cost of product	100,301	56,960	157,261	159,003
Gross profit	$141,961	$ 89,230	$231,191	$257,418
Gross profit as a percentage of sales	58.6%	61.0%	59.5%	61.8%

(See accompanying notes to the financial statements)

PINEVIEW MUNICIPAL GOLF COURSE — SCHEDULE B

SCHEDULE OF COURSE AND BUILDING MAINTENANCE EXPENSES

YEAR ENDED DECEMBER 31, 1986

COURSE EXPENSE

	1986	1985
Salaries	$ 71,876	$ 74,092
Repairs	30,038	23,973
Equipment repairs	25,564	19,461
Seed and fertilizer	15,059	17,261
Sundry	10,583	10,732
Equipment rentals	7,096	7,400
Promotion	5,738	4,362
	$165,954	$157,281

BUILDING MAINTENANCE EXPENSE

Taxes	$ 81,673	$ 76,871
Utilities	40,459	43,606
Salaries	28,338	29,217
Repairs	25,477	15,631
Insurance	6,901	5,468
Cleaning supplies	5,137	4,387
Paper supplies	3,115	2,369
Telephone	2,589	1,807
Pest control	510	474
Security	420	836
Equipment rental	197	424
	$194,816	$181,090

(See accompanying notes to the financial statements)

PINEVIEW MUNICIPAL GOLF COURSE

SCHEDULE C

SCHEDULE OF CATERING AND GENERAL EXPENSES

YEAR ENDED DECEMBER 31, 1986

CATERING EXPENSE

	1986	1985
Salaries	$122,625	$ 11,824
Laundry	7,820	8,213
Paper supplies	5,464	5,181
Utensils	4,365	4,436
Equipment rental	2,504	3,116
Promotion	1,739	2,628
	$144,517	$135,398

GENERAL EXPENSE

Administrative salaries	$ 94,007	$ 84,255
Accounting and audit	9,300	8,900
Automobile expense	3,900	3,900
Office supplies	3,415	3,794
Advertising	3,216	2,501
Sundry	1,496	576
Interest and bank charges	1,460	1,708
Travel	364	305
	$117,158	$105,939

(See accompanying notes to the financial statements)